

E-PHARMACY IN INDIA-AN OVERVIEW

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Abstract: The trend of ordering medicines through the e-pharmacy portals is fast catching up in India. Many players are vying for the market share of the business that is being adopted more and more by Indians given the conveniences of door step delivery and attractive discounts. This review attempts to present the various aspects of e-pharmacy.

Keywords: *E Pharmacy, Tele-medicines*

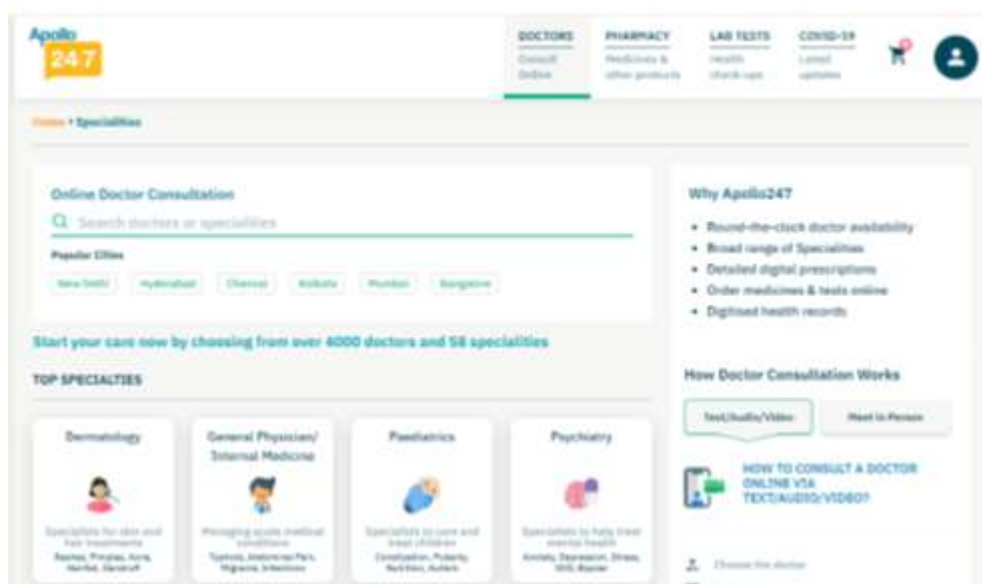
Introduction: A pharmacy is a shop or hospital dispensary where medicinal drugs are prepared or sold. Pharmacy act of 1948¹ stipulates that no person other than those having a diploma or a degree in Pharmacy can dispense medicinal agents. A pharmacist can dispense ‘over the counter’ (OTC) drugs to patients without a doctor’s prescription while all other drugs can be dispensed only with a doctor’s prescription. According to Pharmacy regulations 2015², “Dispensing” means the interpretation, evaluation, supply and implementation of a prescription, drug order, including the preparation and delivery of drug or device to the patient or patients’ agent in a suitable container appropriately labeled for subsequent administration to, or use by, a patient. Pharmacists have also been entrusted with the job of counseling while dispensing the medicines. Traditional pharma retail though unorganized, account for a major chunk of market share³. The brick and mortar pharmacy shops have evolved with time. Entry of big pharmacy chains like that of Apollo, MedPlus, Wellness Forever have introduced automation and providing better ambience to the customers. Many such pharmacies provide easy access to the customers to cosmetics and healthcare accessories. Such chains also implement automation leading to reduced manual errors and quicker billing processes.

Over the past decade, mass access to internet in India led to large scale e-commerce disruption. Everything from clothes to groceries are now available from within the comfort of their homes. The trend of online buying is rising steadily with a pronounced spurt witnessed during the Covid related restrictions⁴. The pandemic pushed people to opt more online buying for their day to day needs. This proved true even for the online purchase of medicines. Indian e-Pharmacies emerged around 2015 and have started making their presence felt. According to the Frost and Sullivan Report, the e-pharmacy Industry is estimated to reach Rs 25,000 Cr in 2022⁵.

Major E-pharmacies of India: There are about 30 online pharmacies operational in India, however the major players are: Netmeds, Tata 1mg, MedPlus, DHL, Apollo, Practo, Wellness Forever and PharmEasy. Other players include CareOnGo, Lifcare, mChemist, MedsOnWay and Myra. E-pharmacy players have a major presence in metros, but they plan to expand their reach in Tier 2 and Tier 3 cities as well⁶. While Apollo and Wellness Forever also have brick and mortar pharmacies, the rest operate through the pharmacies affiliated to them. Buoyed by the success in the recent years, especially during the Covid pandemic, the segment is all set for major investments. Tata Digital, a wholly owned subsidiary of the Tata Group, recently acquired a majority stake in e-pharmacy 1mg. In addition to the Tatas, 1mg’s existing investors — Redwood Global, Korea Omega and World Bank’s investment arm International Finance Corporation — have also infused primary capital as part of this investment. 1mg is said to have received capital infusion of \$100-120 million in total. After this transaction, 1mg is said to be valued around \$450 million⁷.

Similarly, Reliance Retail Ventures has acquired a majority equity stake in Netmeds' parent Vitalic for approximately Rs 620 crore giving the Mukesh Ambani-led group a 60% stake in the Chennai-based company.⁸ API Holding, the parent entity of PharmEasy filed for an initial public offering (IPO) of up to Rs. 6250 Cr. in November, becoming the latest startup in the country to pursue a domestic stock listing. Walmart-owned Flipkart has also entered the e-pharmacy space by collaborating with the online pharmacy, 1mg. Amazon too entered into the fray in August 2020 by offering home delivery of medicines for people residing in Bangalore.

Services offered by e-pharmacies: The major E-pharmacies operating in India are not only offering doorstep delivery of medicines but also a host of other services ranging from online doctor consultation to doorstep sample collection for pathological tests. Through Apollo Online pharmacy portal one can book an online consultation with specialists in all major fields. Netmeds and Practo too offer online doctor consultation besides providing platform for booking appointments with affiliated doctors. Tata 1mg goes a step further by providing the option of immediate audio, video chat with doctors. Dhani and Pharmeasy do not offer video consultations with doctors but offer a call by a doctor if a patient orders medicine without a doctor's prescription. Other e-pharmacies like Wellness Forever require patients to upload prescriptions for drug other than OTC drugs. All online pharmacies offer informative blogs on their websites about subjects related to health to engage customer's attention.



Screen shot of Apollo e-pharmacy web site

Reasons behind popularity of e-pharmacies: E-pharmacies are gaining popularity among the population due to the following reasons:

- Improved access: E-pharmacies are catering to about 20,000 pin codes⁹ thus covering large area. As they expand their services to rural India, they may fulfill the unmet needs of a large population.
- Making drugs more affordable: E-pharmacies are able to offer attractive discounts to their customers because of efficient supply chains, better purchase margins and better inventory control. This becomes more important when a patient has to regularly consume the medicines for chronic conditions

- Various options: The online portal offers consumers a variety of products to choose from. They can compare prices and get more information before placing their order
- Consumer Education: Many pharmacies through their web sites/ apps provide information regarding health such as side effects, warnings, drug interactions, and automatic medicine reminders.

Besides the above reasons, there are a number of factors responsible for the growing popularity of e-pharmacies. Some of them can be summarized as:

- Increased internet penetration: More and more Indians are able to access internet through their smart phones and availability of 4G internet.
- E-commerce is becoming smoother and safer leading to better adaptability
- A large population suffers from chronic conditions like diabetes and hypertension due to a changed lifestyle. E-pharmacies offer them subscription based home delivery with attractive discounts.
- India now has a huge population of elderly patients who are well adapted to online buying. This section of people may rely more on door step delivery for their regular medicines than going physically to a pharmacy store.

Concerns regarding e-pharmacies: Despite their popularity, there are several concerns regarding the e-pharmacies that should be addressed by e-pharmacies in the near future. They can be listed as:

- Some e-pharmacies take more than 24 hr to deliver the medicine. This may hamper the patient's recovery time.
- Due to lack of regulations governing e-pharmacies, illegal pharmacies may sell sub-standard drugs to the consumers
- All online pharmacies rely on scanned copy of prescription which can easily be manipulated. This may lead to over consumption of the medicine or even drug abuse.
- Unsupervised buying of banned drugs by minors through their smart phones may lead to addiction and in some cases may prove to be fatal.
- Medicines that are sensitive to temperature changes may get spoilt during transportation
- Consumer's data privacy is at risk as all the information is online
- Many customers can't access the services due to the interface and consumer systems are only in English. The companies need to improve their outreach by adopting regional languages
- Though convenient for old people, lack of physical interaction with the pharmacist and thus improper counseling can lead to medication errors which can have serious consequences.

Regulation of e-pharmacies: Presently, the following laws govern the manufacture, sale, and distribution of drugs in India.¹⁰ The Drug and Cosmetics Act (DCA), 1940; Drugs and Cosmetic Rules (D & C), 1945; Pharmacy Act, 1948; and the Indian Medical Act, 1956, Code of Ethics Regulations 2002, Narcotic Drug and Psychotropic Substances Act, 1985 and Drug and Magic Remedies Act, (Objectionable Advertisement) Act, 1954. DCA has several provisions to ensure that only standard drugs are available to the consumers. Some of the regulations are:

- Medicines can only be sold by a registered pharmacist with a valid license
- Drugs falling under the Schedule H, Schedule H1, and Schedule X of the D&C Rules can only be sold with a valid prescription from a registered medical practitioner.
- Drugs cannot be sold to minors

- Banned drugs cannot be sold via online as well as brick and mortar pharmacies
- No medicine can be sold above the MRP.

The above regulations do not differentiate between online and conventional pharmacies. In view of mushrooming of online pharmacies a notice was released to the State and Union Territory Drug Controllers by the office of Drugs Controllers General stating that the provision under the D&C Rules would be applicable to not only offline selling of drugs but to online selling of drugs too. The notice paved the way for the issuance of a license for pharmacy as well. In August 2018, the Ministry of Health and Family Welfare vide its notification and came out with a draft to amend the D&C Rules, 1945.¹¹

The salient features are:

- a. New e-pharmacies have to be registered with the Central Drugs Standard Control Organization (CDSCO), India's apex drug regulator and central licensing authority
- b. No person can distribute or sell, stock, exhibit or offer for sale of drugs through e-pharmacy portal unless registered.
- c. For opening e-pharmacy, one shall apply for the grant of registration to the Central Licensing Authority in Form 18 (AA) through the online portal of the Central Government.
- d. E-pharmacies have to take only one license in any state and can sell drugs all over the country even if they have one license
- e. The supply of any drug shall be made against a cash or credit memo generated through the e-pharmacy portal and such memos shall be maintained by the e-pharmacy registration holder as a record.
- f. The details of the patient must be kept confidential and not be disclosed to any person other than the central government or the state government concerned, as the case may be.
- h. The sale of tranquilizers, psychotropic drugs, narcotics and habit-forming drugs are prohibited through e-pharmacies portals.
- i. The premises of e-pharmacy shall be inspected, every 2 years by a team of officers authorized by the Central Licensing Authority, with or without the experts in the relevant field or the officers authorised by the concerned State Licensing Authority.
- j. The registration issued to any person for e-pharmacy will remain valid for a period of 3 years from the date of its issuance and a renewal of registration will have to be done in case it wants to continue.
- k. No e-pharmacy shall advertise any drug on radio, television, internet, print or any other media for any purpose.
- l. It is mandatory for the e-pharmacies portals are mandatory required to have at least 12 Hours and all seven days a week customer support and grievance readdress of all stakeholders. The customer support should have a registered pharmacist in place to answer the queries of customers through such customer helpline.

Future of E-pharmacies in India: The future of e-pharmacies in India appears to be bright despite stumbling blocks since their entry. The Chemists and Druggists associations haven't been very happy about the presence of e-pharmacies. In 2016 Flipkart, Snapdeal, Amazon were penalized by Maharashtra government which for selling medicines online without valid licenses.¹² Many petitions were filed in Delhi and Madras high court to seek a ban on e-pharmacies. Despite these hiccups, the online pharmacy market, which was worth about \$512 million in 2018, according to Frost and Sullivan, is growing at a CAGR of 63 per cent and is expected to hit overall revenues of over \$3.6 billion by 2022.¹³

Conclusion: As access to internet and smart phones increases in India, we expect more people to rely on e-pharmacies for the purchase of their medicines. The consumers can place their order any time of the

day and get them delivered at their door step. Online doctor consultation, sample collection from the comfort of their homes and fabulous discounts offered by the e-pharmacies make them attractive to the consumers. The currently prevailing scenario of Covid has given a further boost to the e-pharmacies. However, there is an urgent need to have well laid out regulations for the e-pharmacies by the Government of India. Till then the e-pharmacies must build strong procedures to gain the trust of consumers.

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